

Operating Model and Insurance Rules Advisory Committee Minutes

**October 12, 2011
2:30 p.m. - 4:30 p.m.
House Office Building, Room 240
6 Bladen Street
Annapolis, MD 21401**

The materials presented in the meeting are listed on the Maryland Health Benefit Exchange webpage: <http://dhmh.maryland.gov/healthreform/exchange/AdvComm/mtg-model-ins.html>

Members Present

| | |
|--------------------------|----------------------------|
| Uma Ahluwalia (Co-Chair) | Jonathan Anders (Co-Chair) |
| Sallian Alborn* | Virginia (Penny) Anderson |
| Paul Berman | Kendall Hunter |
| Aaron Kaufman* | Cristinia Meneses* |
| John Miller | Paul Nicholson* |
| Mark Sucoloski | Tequila Terry |
| Sally Tyler* | Susan Wood |
| Kevin Yang | Charles Yarborough |

Others Present

Therese Goldsmith (Board Liaison)
Becca Pearce (Executive Director of the Maryland Health Benefit Exchange)

Members Absent

Vincent DeMarco
Laura Howell

Welcome and Introductions

The Co-Chairs welcomed everyone and clarified the way in which salient issues would be addressed by the Committee. Although break-out groups centered on five issue areas had been proposed, there had been concern that having these groups would violate the spirit of transparency that the Exchange is promoting. Therefore, the talking points that previously had been delegated to break-out sessions now will be addressed by the Committee as a whole. Committee members were encouraged to send any additional thoughts they had, to Jessica Skopac's attention. The Co-Chairs would either identify a time to discuss these ideas or send them to another committee's attention.

Becca Pearce, Executive Director of the Maryland Health Benefit Exchange, explained how the committee will proceed through the next several meetings. Wakely [Consulting Group](#) will continue to present their work through the November 2, 2011 meeting. Mercer's will begin its

*Participated in meeting through teleconference. The conference line was interrupted mid-meeting; members calling in were unable to participate in the latter portion of the meeting.

presentation on November 2 and conclude on November 7. Ms. Pearce also noted that the December 23 report to the Legislature will encompass both the vendor's studies and feedback from the advisory committees. In addition to providing recommendations to the Legislature, each report will justify the proposed course of action. Public comments may be submitted both within the committees and directly to Ms. Pearce. The Co-Chairs, then, asked if they could receive more clarity ~~in regards to the mission of the Committee~~ with respect to the Committees role in discussing operationg models. Ms. Pearce indicated that the charge of the advisory committee task was to focus on procurement options and health plan certification requirements rather than considering all aspects of various operating models in general.

Update from Advisory Committees and Board

Jesse Kopelke, staff member for the SHOP and Finance and Sustainability Committees, gave an update on the work of the other advisory committees. At the last Navigator and Enrollment Advisory Committee meeting, Manatt, the study vendor, gave an overview of current projections for Exchange enrollment and an overview of their key informant work plan. Manatt also received feedback on their interview guides for the various stakeholders affected by the navigator program. Weber Shandwick, another study vendor, presented their work plan at the October 12 meeting of the committee. The SHOP Committee met on September 27, 2011. The discussion centered on worker-employer choice issues and the different criteria that should be considered when choosing qualified health plans (QHPs), such as affordability and potential adverse selection. The Finance and Sustainability committee has met once and focused on process. Wakely is the selected vendor for that Committee's study as well, and will be present its 5-year financial projections at the Committee's next meeting.

Presentation on Exchange Goals by Wakely Consulting Group and Committee Discussion

Wakely's presentation focused around two key themes: (1) whether selected goals could be influenced by the plan certification and selection process and (2) whether certification options should include levels of standardization and levels of selectivity. It was noted that some goals, such as sustainability, are related to the certification process may be under the purview of other committees.

Some members noted the absence of certain goals such as "choice" and "customer service or ease of use". Wakely discussed how the goals of "stability" and "enrollment" encompass choice. For example, if Exchange Board wants to grow the exchange and wants it to be more stable, then the Exchange would offer more rather than less choice. On the other hand, if the Exchange offers less choice then it ~~probably will~~may not achieve the scale of enrollment hoped for. Wakely explained how "improving access" includes "customer service or ease of use." To the extent that it is easier for the consumer to go online and comparison shop, it is more likely people will enroll.

One Committee member asked about the administration of the subsidy and whether Wakely's report would address this. Ms. Pearce explained that while public discussion of this process may be needed, the issue does not ~~need to be studied~~fall within the purview of this committee, but the issue is being addressed by other committees. Administration of subsidies is one of the key things that the exchange needs to do. One Committee member felt that "minimizing eligibility churn" should be moved from the moderate column to the high priority column.

Wakely reiterated that the discussion about this in the abstract. However, goals of the Exchange are on a continuum with many trade-offs (i.e. high priority versus low priority, etc). The market will always do different things than expected and thus the Exchange needs to retain some flexibility for how the market runs its business.

There was some discussion over which topics fall into this Committee's purview. Therese Goldsmith, the Board Liaison, explained that under Maryland statute, this Committee should ~~make advice about~~ identify pros and cons regarding the feasibility ~~in terms~~ of selective contracting and also multi-state contracting.

Consideration of Exchange goals in both the short and long term generated significant discussion. It was noted that short term goals may evolve as the Exchange matures and may result in changes in the contracting process. Noted concerns included affordability of plans as it related to driving competition within the Exchange market, incenting providers to serve safety net and underserved populations, and how to set the bar in order to get sufficient numbers of carriers but maintain a certain level of quality and customer service. It was suggested that the bar could be set low at entry, and then raised as time went on once the market became more stable.

The committee asked Wakely to review current Medicaid plan procurements in Maryland and to present any findings on the market impacts exchanges in Massachusetts and Utah. Wakely also will describe specific market demographics in Maryland for the October 25, 2011 meeting. Ms. Pearce added that Medicaid is doing a study on basic health plans and is going to give an overview of that study to the Exchange Board. The information from that study will be on the Board's website and will be made available to Committee members through Jessica Skopac.

Public Discussion

Two members of the public had comments. The first was a representative from CareFirst who wished to draw attention to highly restrictive plan requirements in Maryland's small group market~~tr~~. These expectations led to significant decline in the number of carriers as the market matured. The second commenter, an attorney representing insurance brokers, stressed the need to consider the regulatory burden that is placed on insurance carriers and its impact on building a marketplace for the Exchange.

Next Steps

The Committee members approved the minutes from the October 3, 2011 meeting.

The next meeting is October 25, 2011 from 10:00 a.m. to 12:00 p.m. in Baltimore at the Maryland Health Care Commission (MHCC).